REMARKS/ARGUMENTS

This Amendment is responsive to the Office Action mailed on April 30, 2008.

Claims 1, 3-6, 8-11, 14, 15, 17-25, and 27 are currently pending. In this Amendment, claims 1, 3, 4, 5, 6, 8-11, 14, 15, 17-21 and 23 are amended; claims 2, 7, 12, 13, 16, and 26 are canceled; and claim 27 is added. Support for new claim 27 can be found at: page 15, lines 9-12; page 14, lines 20-30; and page 16, lines 9-12 of Application. No new matter is added. Claims 1, 3-6, 8-14, 16-25, and 27 are pending and subject to examinations on the merits.

On June 16, 2008, an interview between the Examiner and the undersigned was held. The Examiner is thanked for his careful consideration of the issues raised during the interview.

I.   Restriction

In the Office Action, claim 26 is restricted out as being directed to a non-elected invention. Applicants acknowledge the restriction requirement and claim 26 is canceled. Applicants reserve the right to file a divisional application directed to claim 26.

II.   Rejections under 35 USC 102

A.   Independent Claim 1

Claim 1 is rejected as being anticipated by Ray et al. (U.S. Patent No. 6,018,722) under 35 U.S.C. 102(b). Applicants traverse this rejection.

Ray et al. does not anticipate the claim, because Ray et al. does not teach each and every element of the claim. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California,* 814 F.2d 628, 631 2 USPQ2d 1051, 1053 (Fed. Cir. 1987); and MPEP 2131. To expedite prosecution, claim 1 is amended to include a method including the step of, *inter alia,* identifying assets recommended to be sold wherein "for each asset of the one or more identified assets recommended to be sold, generating a list of alternative

client portfolio assets recommended to be sold instead of the identified asset." This feature is described, for example, on page 10, lines 3-4 of Application. As explained therein, the rebalancing engine can offer a list of alternatives whenever it recommends that a security be purchased or sold. As shown in Figure 7, for example, the rebalancing engine interface includes "Alternates" hyperlink 708. If the client does not want to sell recommended asset 708 of Figure 7, upon clicking the alternates hyperlink, alternate assets 804 of Figure 8 are shown wherein the sale of one of those assets would achieve a similar investment goal as the sale of the original recommended asset.

By contrast, Ray et al. fails to teach or suggest a method including the step of, *inter alia*, generating a list of alternative client portfolio assets recommended to be sold instead of an identified asset. In the Office Action, the Examiner alleges that column 7, lines 38-47 of Ray et al. teaches the generating a list of alternative assets in a client's portfolio recommended to be sold. However, the cited reference only teaches that a technical analysis marks assets for sale. The Examiner asserts that assets recommended by the fundamental analysis are alternatives to those marked for sale by the technical analysis because the assets recommended by the fundamental analysis are not marked for sale by the technical analysis. However, unlike the alternative assets recited in claim 1, the asserted alternative assets are not recommended to be sold by the fundamental analysis. Ray et al. at column 6, lines 15-37, teaches that the fundamental analysis finds assets with favorable characteristics for a particular investment objective. But, as explained in column 6, lines 37-54 of Ray et al., it is the technical analysis that recommends whether an asset is sold or not. Therefore, Ray et al. does not teach or suggest a step of generating a list of alternative recommended assets to be sold.

Furthermore, unlike claim 1, the asserted alternatives are not alternatives to a specific identified asset wherein the sale of one the alternative assets would achieve the same investment goal as the sale of the identified asset. The asserted alternatives are simply a list of other assets with no correlation to a specific asset marked for sale by the technical analysis.

Since the passage (i.e., column 7, lines 38-47) of Ray et al. cited by the Examiner does not teach or suggest "generating a list of alternative client portfolio assets recommended to be sold instead of the identified asset," anticipation has not been established.

III.   Rejections under 35 USC 103

Claims 2-5 are rejected as being obvious over Ray et al. (U.S. Patent No. 6,018,722), Nikolov ("Selected Issues"), and Reese (U.S. Patent No. 6,236,980).

To expedite prosecution, dependent claim 2 has been canceled and the limitations therein are incorporated into claim 1. Claim 1 is amended to include a method including the step of, *inter alia*, "generating a plurality of tables wherein each asset of the one or more identified assets recommended to be sold is included in one of the tables, wherein each table corresponds to a reason that identifies the basis for recommending that assets contained in the table be sold, and wherein the basis correlates to an investment strategy for the client's portfolio." This feature is described, for example, on: page 9, lines 20-26; page 15, lines 5-9; table row 612 of Figure 6, and table row 802 in Figure 8 of Application. As explained therein, a rules based rebalancing engine can give a precise reason for every sale and purchase wherein that reason identifies a basis for the recommendation that correlates to the investment strategy of the portfolio. For example, sells could be recommended to eliminate concentrations in individual securities or to achieve security type diversification in a client's portfolio.

As shown in Figure 6 of Application, table row 608 gives a generalized reason for a recommendation and table row 612 can give a specific in depth reason. Such specificity helps the communication between a financial advisor and a client to proceed much more efficiently as the client is aware of the specific rationale for each recommendation (See page 14, lines 8-9 of Application). Furthermore, if a client is aware that his or her preferences are being taken into account and the client can see that the reasons for a recommendation are based on such preferences, a client is more likely to follow the recommended actions to achieve the recommended portfolio (See page 9, lines 17-20 of Application).

Neither Ray et al., Nikolov, nor Reese, alone or in combination, teach or suggest the above feature of giving a reason for making a recommendation wherein the reason identifies the basis for the recommendation and the basis "correlates to an investment strategy for the

client's portfolio." The Examiner admits that neither Ray et al. nor Nikolov teach explicitly giving a reason that identifies the basis for recommending that assets be sold. The Examiner relies on Figures 4-6 of Reese as teaching the identification of the basis for recommending the sale or purchase of an asset. However, the cited figures only describe a table of recommendations for one specific asset wherein the table is an aggregation of generalized recommendations from sources such as "magazines, online sources, broadcast programs, columns, [and] articles," (See Reese at column 13, lines 59-61). Reese does not tailor specific recommendations based on the investment strategy of an individual client portfolio. Reese is simply a data aggregator displaying generalized recommendations.

By contrast, claim 1 (or previously submitted claim 2) recites the limitation of making a recommendation wherein the basis for the recommendation "correlates to an investment strategy for the client's portfolio." There is no reason for one skilled in the art to modify Ray et al. in view of Nikolov to arrive at the invention of the independent claim. The cited sections of Reese have nothing to do with recommendations tailored to a specific portfolio.

Since the cited prior art fails to teach each and every limitation of independent claim 1 (or previously submitted claim 2), obviousness has not been established with respect to independent claim 1, and any claims dependent thereon. Claims 3-5 are allowable since they depend from non-obvious independent claim 1 and further recite additional limitations.

Claims 6, 9-11, 14, 16, and 23-25 are rejected as being obvious over Ray et al. in view of Masand et al. (U.S. Patent Publication No. 2002/0095362).

To expedite prosecution, independent claim 6 has been amended to recite limitations similar to the above limitations as allowable independent claim 1. Therefore, claim 6 (and the corresponding dependent claims) is allowable for at least the same reasons as claim 1. The additional citation of Masand et al. fails to remedy the deficiencies of the combination of Ray et al., Nikolov, and Reese, as explained above.

Claims 7-8, 12-13, and 17-18 are rejected as being obvious over Ray et al., Masand et al. (U.S. Patent Publication No. 2002/0095362), Nikolov, and Reese. This rejection is traversed.

The rejected claims are either canceled or depend from allowable independent claims as explained above.

Claims 19-20 are rejected over Ray et al., in view of Nikolov, and Masand et al. The rejected claims depend from allowable independent claims as explained above.

Claims 15 and 21 are rejected over Ray et al., Masand et al., and Sloan et al.

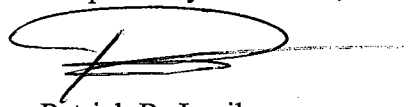The rejected claims depend from allowable independent claims as explained above.

Claim 22 is rejected over Ray et al., Masand et al., Sloan et al., and Karp et al.

The rejected claim depends from an allowable independent claim as explained above.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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